

# ANOTHER NAME FOR THE DEATH TAX: THEFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, a lot of controversy was generated recently when Deputy Treasury Secretary Lawrence Summers stated that anyone who wants relief from the inheritance tax, the death tax, is selfish. He later retracted that remark, but revealed a basic philosophy shared by many high officials in our Government. I am an original cosponsor of two bills dealing with the death tax.

The first introduced by my good friend, the gentleman from California, Mr. CHRIS COX, would totally repeal the death tax. The other sponsored by appropriations chairman, the gentleman from Louisiana Mr. BOB LIVINGSTON, would increase the inheritance tax, the death tax, exemption from \$600,000 to \$1.2 billion.

By the way, the budget agreement between congressional leaders and the President lifts the exemption to that level, but over a period of years. We should do it immediately. At least this is a step in the right direction.

I want to emphasize again that I am a deficit hawk. I have opposed some tax cut proposals because they were not accompanied by corresponding spending cuts. It would have made it much harder, if not impossible, to balance the budget in the near future.

However, I would point out that the Federal Government receives virtually no benefit from the death tax. In fact, it probably loses money. It sounds incredible, but it is true. According to Investors Business Daily, the death tax accounts for only about 1 percent of all Federal taxes collected. What is worse is that the IRS spends as much as three-fourths of that 1 percent to collect the tax.

When we add in lost businesses, lost jobs, and lost output, the death tax becomes a net loser in terms of Federal tax dollars. In other words, after all the grief it causes small business owners and farmers, the death tax ends up costing more, at least as much or more than it brings in.

We often hear from death tax supporters that repealing or reforming it would be a tax cut for the rich. It simply is not true. The very wealthy spend thousands of dollars on accountants and attorneys to find ways around the death tax, such as setting up trusts. But average people cannot afford such tax dodges, so they have to pay the death tax.

In a recent editorial the Seattle Times pointed out that when the tax was first enacted in 1916 it primarily affected the very wealthy. Quoting now from the editorial, "Times have changed. Today's farmers, ranchers, lumbermen, merchants, and small- and medium- and large-family business owners alike feel the crunch of estate taxes. The estate tax is out of date and

out of step with the Nation's proud tradition of supporting family-owned businesses."

Mr. Speaker, the death tax harms small businesses and threatens their very survival. According to the Small Business Survival Committee, 60 percent of family businesses fail to survive in the second generation, and 90 percent do not make it to the third generation. A leading cause of their demise: the death tax.

This also harms the Nation's economy. As the head of a family business grows older, there is little reason to expand his or her company. When a company goes out of business or is sold to a large corporation, people lose their jobs. A study and research on the economics of taxation indicates that if the death tax had been repealed in 1993, by the year 2000 the gross domestic product would be \$79 billion greater and 228,000 more people would be employed.

Mr. Speaker, another reason we need to reform or even repeal the death tax is that it is inherently unfair. The money a person earns during his or her lifetime is taxed over and over again in the form of income taxes, capital gains, taxes on investment, taxes on interest. When someone dies, is it fair for the government to take another 55 percent of a lifetime accomplishment? Absolutely not.

A constituent of mine from Oak Harbor, Washington recently wrote, and I quote:

People work and pay taxes all their living years to pass on to their children and grandchildren some assets: a house, a farm, a business. Upon death the government wants to tax the estate again, taking the lion's share. I call that theft.

When we take into consideration that the death tax hurts business, harms the economy, is unfair to many families, and that it does not really raise any net money to help reduce the deficit, there is only one conclusion that can be reached: There is no logical reason to continue the death tax.

## H.R. 3, THE JUVENILE CRIME CONTROL ACT, AND THE JUVENILE OFFENDER CONTROL AND PREVENTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. STUPAK] is recognized for one-half of the time remaining before midnight as a designee of the minority leader.

Mr. STUPAK. Mr. Speaker, tonight I am joined by many of my colleagues as we want to talk about H.R. 3, the so-called Juvenile Crime Control Act, put forth by the majority party.

Mr. Speaker, as co-chair with the gentlewoman from California, Ms. ZOE LOFGREN and the gentleman from Virginia, Mr. BOBBY SCOTT, for the last 3 months we have held hearings, we have held meetings to try to fashion a bill that could really treat juveniles with justice, with compassion, with punish-

ment, with treatment, with education, and a comprehensive plan. We have brought forth such a bill, and it will be the substitute tomorrow.

Mr. Speaker, before we talk about the substitute we are going to propose, let me just for a few moments reflect back a little bit on the debate we had here tonight. In the past 3 months that the Democratic Party has been working on our juvenile justice bill, we learned a couple of things.

We learned, number one, that most juvenile crime, contrary to what we heard here tonight, is not murders, it is not rape, it is not robbery. The most common crime is what we call MDOP, malicious destruction of property. It occurs between 3 p.m. and 8 p.m. That is what most of the juvenile crime in this country is.

We learned that in the Federal Government we have control over 197 juveniles. One hundred ninety-seven juveniles. Of that 197, 120 are Native Americans or are on reservations, and we have jurisdiction over them. So we are talking about 77 individuals that we as a Federal Government have control over.

The States, on the other hand, they incarcerate or have under their control up to 300,000 juveniles per year. What has the majority party recommended? That the Federal Government, in its infinite wisdom, basically take control of the juvenile justice system for the whole country. We base that knowledge upon 197 juveniles that we happen to have some control over in this year of 1997.

We heard so much about Tax Freedom Day a little bit ago, and a bloated Federal Government, and all the majority party are these great deficit hawks. Yet, they want to spend \$1.5 billion over the next 3 years to incarcerate juveniles, according to Washington standards, according to our standards. Whatever we pass in H.R. 3, that will be the standard.

Mr. Speaker, that is no way to deal with juvenile justice, it is no way to deal with juveniles in this country. We are here tonight. We spent 2 hours on the bill. We will have approximately 2 hours tomorrow; 4 hours on juvenile justice. We heard what a great problem it is throughout this country, and it is. Can the 105th Congress not give us more than 4 hours on juvenile justice? We have been working on a HUD bill, housing and urban development bill, for over 1 week. Yet, when it comes to crime and juveniles, we can only spend 4 hours.

Mr. Speaker, tomorrow I will be proud to introduce the Stupak-Stenholm-Lofgren-Scott-Delahunt-Mel Watt substitute. It is going to be our Juvenile Offender Control and Prevention act. It is a tough bill. It is a smart bill. It is a balanced bill. It is tough in the area of providing comprehensive treatment, education, and prevention for juvenile delinquency. We give the local communities, not the Federal Government but the local communities, the flexibility to decide what